

Fact Sheet

Module 1: Payroll Taxes and Federal Income Tax Withholding

Payroll and **income** taxes are withheld from employees' pay by their employers.

Employers send withheld taxes to the federal government.

Payroll taxes include Social Security (FICA) tax and Medicare tax.

- The Social Security tax rate is 6.2 percent.
- The Medicare tax rate is 1.45 percent.

Employees complete Form W-4, *Employee's Withholding Allowance Certificate*.

Employers use Form W-4 to compute the amount of income tax to withhold.

----- Cut here and give Form W-4 to your employer. Keep the top part for your records. -----

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Allowance Certificate ► For Privacy Act and Paperwork Reduction Act Notice, see page 2.		OMB No. 1545-0010 2003	
1 Type or print your first name and middle initial Alicia		Last name Myers		2 Your social security number 222 00 5476	
Home address (number and street or rural route) 462 Main Street		3 <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <small>Note: If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.</small>			
City or town, state, and ZIP code Anytown, USA XXXX		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a new card. <input type="checkbox"/>			
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)				5	1
6 Additional amount, if any, you want withheld from each paycheck				6	\$
7 I claim exemption from withholding for 2003, and I certify that I meet both of the following conditions for exemption: • Last year I had a right to a refund of all Federal income tax withheld because I had no tax liability and • This year I expect a refund of all Federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ►				7	
Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or I am entitled to claim exempt status.					
Employee's signature (Form is not valid unless you sign it.) ►					
Date ►					
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)		10 Employer identification number	

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